development in any segment of the textile industry requiring attention, appropriate measures are taken through policy interventions.

(b) to (d). Do not arise.

Tariff Advisory Committee of Insurance

1240. SHRI NAMDEO DIWATHE : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the long pending demand of general insurance companies regarding reconstitution of the two decade old tariff advisory committee with induction of more user members;

(b) if so, the main points raised by General Insurance Companies in their recent representation;

(c) whether the Government had made a commitment to the effect that tariff on insurance would be revived every five years;

(d) if so, the steps taken to revise the tariff rates and to improve the premium income; and

(e) the details of fresh initiative taken/proposed to make insurance services efficient and effective in tune with the spirit of globalisation?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No such demand is pending with the Government.

(b) Does not arise.

(c) and (d). No Sir, the Tariff Advisory Committee has been reviewing the tariff rates at periodic intervals to bring the tariff in tune with the loss experience and market trends

(e) In order to improve efficiency in customer service and curtail delays in the issue of policies and settlement of claims, the general insurance industry has already computerised over 1500 Branch/Divisional/Regional Offices apart from introducing computerisation at Head Office level. Training is imparted to officers at various levels and agents with a view to improving customer services. More and more Lok Adalats are held so as to expedite settlement of motor third party liability claims. The managements/Boards of the GIC and its four subsidiaries constantly review the measures required to be taken to meet the new challenges likely to arise in the process of globalisation of the insurance industry.

Review the Performance of EOUs/EPZs

1241. SHRI NARAYAN ATHAWALAY : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have recently undertaken a comprehensive review of the performance of export oriented units and export processing zones schemes implemented in various States, during the last three years;

(b) if so, the details thereof alongwith achievements made under these schemes, scheme-wise, State-wise;

(c) whether the Government propose to modify/ restructure the schemes for better results; and

(d) if so, the details of such changes conceived/ finalised including setting up Apex Body to direct foreign investments in export oriented units and export processing zones to create confidence and credibility among foreign investors?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). The performance of Export Oriented Units and Export Processing Zones is reviewed annually taking into account performance of the last five years. The exercise for review of performance for these units for the cumulative period ending 31st March, 96 is in progress.

(c) and (d). The Policy and Procedural framework for Export Oriented Units is reviewed from time to time and changes made in order to obtain better performance of units operating under the scheme. There is no proposal to set up a separate Apex body to direct foreign investment in EOUs/EPz units. However, the Government have already constituted a non-official Foreign Investment Promotion Council to facilitate FDI in India by undertaking promotional activities.

Stock Market

1242. SHRI TARIQ ANWAR : Will the Minister of FINANCE be pleased to state :

(a) whether high interest rates are likely to dampen the R.B.I.'s measures to boost the stock markets; and

(b) if so, the facts thereof and remedial steps proposed to be taken in regard thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). According to the Reserve Bank of India (RBI), the measures announced by it in the Credit Policy for the 2nd half of 1996-97 have improved the liquidity in the banking system and have helped to lower the rates of interest. The banks and the financial institutions have already reduced the prime lending rates by about one percentage point. The rates of interest prevailing in the financial system affect the stock market in several ways such as influencing the decisions of the investors to invest their funds in debt instruments, equity shares, bank deposits etc. However, the movements in the stock market are determined by a variety of factors such as macro-economic situation, financial results of companies, expectations of investors etc.